

VZCZCXRO9221  
PP RUEHMA RUEHPA  
DE RUEHCO #0655 2940603  
ZNR UUUUU ZZH  
P 200603Z OCT 08  
FM AMEMBASSY COTONOU  
TO RUEHC/SECSTATE WASHDC PRIORITY 0594  
INFO RUEHZK/ECOWAS COLLECTIVE  
RUEHFR/AMEMBASSY PARIS 1331  
RUEHLO/AMEMBASSY LONDON 0380  
  
UNCLAS COTONOU 000655

SIPDIS

DEPT FOR AF/W ACOOK; DLOCKHART  
DEPT PLEASE PASS USTR (LAGAMA)  
DAKAR FOR FAS (RHANSON)  
LONDON FOR PETER LORD  
PARIS FOR BKANEDA

C O R R E C T E D C O P Y (C O R R E C T E D S U B J E C T L I N E)

E.O. 12958: N/A  
TAGS: EAGR ECON EINV PGOV BN  
SUBJECT: BENIN: GOVERNMENT DIVESTS COTTON GINNING COMPANY

REF: A) COTONOU 809, B) 07 COTONOU 874

¶1. On September 18, the GOB announced the successful divestiture of the cotton ginning activities of the agricultural parastatal, SONAPRA. The SCP, ("Societe Commune de Participation") was provisionally declared successful bidder. They will create a public-private joint venture called SDC ("Societe pour le Development du Cotton") and hold 33.5% of its capital. The GOB and the public respectively will hold 33.5 percent and 33 percent of the shares of the new ginning company.

¶2. In early November 2007, the GOB cancelled the completed process of divestiture that had led to the selection of the same bidder, on the grounds that the privatization process was plagued with irregularities (Ref B). Post will give full details of this divestiture process as soon as the GOB announces finalization of the deal.

BOUSTANI